

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-004-E - ORDER NO. 94-1096
OCTOBER 19, 1994

IN RE: South Carolina Electric & Gas) ORDER APPROVING
Company - Semi-Annual Review of) STIPULATION AND
Base Rates for Fuel Costs.) AGREEMENT AND SETTING
) FUEL FACTOR

This matter is before the Public Service Commission of South Carolina (the Commission) on the "Stipulation and Agreement of the South Carolina Consumer Advocate and South Carolina Electric & Gas Company." (See attached Exhibit A.) The South Carolina Consumer Advocate (the Consumer Advocate) and South Carolina Electric & Gas Company (SCE&G or the Company) request that the Commission approve the terms of the Stipulation. Among other things, the two parties agree that SCE&G's base rate for fuel should be continued at 1.416¢ per kilowatt hour beginning with the first billing cycle of November 1994 through April 1995 billing cycles.

This Stipulation and Agreement came before the Commission on hearing on October 18, 1994 at 11:00 a.m. The Honorable Rudolph Mitchell, Chairman, presided. SCE&G was represented by Belton T. Zeigler and Patrick Hudson. The Consumer Advocate was represented by Nancy V. Coombs, and the Commission Staff was represented by F. David Butler. All parties stipulated to this Commission that the testimony of Company witnesses, Kenneth R. Jackson, Mackie M. Bedenbaugh, John L. Skolds, and W.E. Moore and their exhibits and

Staff witnesses Jacqueline R. Cherry and A.R. Watts and their exhibits should be entered into the record without the necessity of cross-examination.

Kenneth R. Jackson took the stand to explain the Stipulation to the Commission. SCE&G had originally determined that use of the fuel factor at 1.416¢ per kilowatt hour for the period under review resulted in a cumulative underrecovery of \$1,628,083. Staff arrived at a cumulative underrecovery of \$1,384,531. Jackson explained that the Company accepted the Commission Staff's correcting adjustment of \$243,552 as being correct.

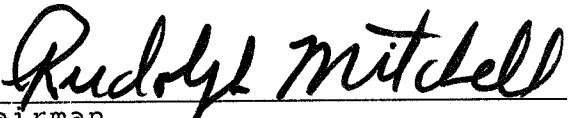
Pursuant to Jackson's testimony, and after review of the terms of the submitted Stipulation and Agreement between the Consumer Advocate and SCE&G, and the entire record of this case, the Commission finds and concludes that the Stipulation and Agreement should be and is hereby accepted and adopted by this Commission. The Commission also adopts Staff's adjustment of \$243,552 to the Company's cumulative recovery account.

IT IS THEREFORE ORDERED THAT:

1. The base fuel factor for the period commencing for the first billing cycle of November 1994 through the billing cycles of April 1995 is hereby continued at 1.416¢ per kilowatt hour.
2. Within ten (10) days of the date of this Order, SCE&G shall file with the Commission the appropriate rate schedules designed to incorporate the findings herein and an adjustment for fuel costs tariff as demonstrated by the attached Appendix A.
3. Staff's adjustment to the Company's cumulative recovery account is hereby adopted.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
SOUTH CAROLINA
DOCKET NO. 94-004-E
OCTOBER 12, 1994

IN RE:

South Carolina Electric & Gas)	STIPULATION AND
Company - Semi-Annual Review of)	AGREEMENT OF THE
Base Rate for Fuel Costs)	THE SOUTH CAROLINA
)	CONSUMER ADVOCATE &
)	SOUTH CAROLINA ELECTRIC
)	& GAS COMPANY
)	

WHEREAS, the Parties to this Stipulation are the Consumer Advocate for the State of South Carolina ("Consumer Advocate") and South Carolina Electric & Gas Company ("SCE&G"), and collectively referred to herein as the "Parties";

WHEREAS, the Parties represent all the Parties of record in Docket No. 94-004-E apart from the Staff of the South Carolina Public Service Commission.

WHEREAS, in January of 1994, the South Carolina Public Service Commission ordered Docket No. 94-004-E to be opened for the semi-annual review of South Carolina Electric & Gas Company's fuel costs and fuel costs recovery pursuant to Section 58-27-865 of the Code of Laws of South Carolina (1976);

WHEREAS, the Commission's Electric Department Staff has analyzed the Company's procedures and practices pertaining to its fuel operations, specifically including an examination of the Company's Power Plant Performance Data Reports, Major Unit Outage

Reports, Generation Mix Reports, Generation Statistics, Retail Comparison of MWH Sales Reports, and Retail Comparison of Fuel Costs. In addition, the Staff has interviewed Company personnel concerning operating results of its generating units, has conducted on-site inspections of Company's coal quality sampling techniques, and has reviewed the Company's forecasting procedures, and currently approved Adjustment for Fuel Costs Tariff, along with the history of the Cumulative Recovery Account;

WHEREAS, based on these examinations and reviews, the Staff issued a Report of Fuel Adjustment Analysis in this Docket;

WHEREAS, the Staff and SCE&G have prefiled testimony in Docket No. 94-004-E concerning the Company's fuel operations and accounts;

WHEREAS, the Parties have carefully reviewed the information contained in the prefiled testimony of the witnesses for the Company and the Staff, as well as the Report of the Staff, and all supporting Exhibits;

WHEREFORE, the Parties have agreed, and do hereby stipulate to the following matters related to the Company's fuel operations which if adopted by the Commission in the order on the merits of this proceeding will, within the scope of the matters addressed herein, result in rates for electric services which are just and reasonable, and supported by the evidence of the record of this proceeding and will further comply with the provisions of Section 58-27-865 of the Code of Laws of South Carolina (1976).

1. In the interest of rate stability and of maintaining consistent price signals to customers, and also in the interest of avoiding the burden and expense of rate adjustments,

the Parties agree and stipulate that the Company's base rate for fuel shall remain at the rate of 1.4160¢/KWH. This fuel costs recovery factor shall remain in effect through April, 1995, or until superseded by order of the Commission.

2. For the period under review, March 1, 1993 through August 31, 1994, the Consumer Advocate does not contest a) the prudence of the Company's fuel purchasing practices and plant operations; or b) the reasonableness of the fuel costs incurred; c) the administration of fuel cost recovery accounts; or d) the accounting for fuel costs and purchased power.

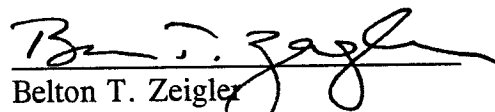
3. The Consumer Advocate has raised the issue of whether appropriate concentrations of uranium fuel have been loaded into the reactor core at the V.C. Summer Nuclear Station to ensure maximum economic efficiency from the plant. In settlement of this issue, the Parties agree that SCE&G, with participation by representatives of the Consumer Advocate, will conduct an analysis and review of the engineering, operating and economic factors which bear on the proper loading of the reactor core. The purpose of this review and analysis shall be to determine what changes, if any, in core loading are appropriate in the Refueling Outage No. 9, anticipated to take place in the Spring of 1996. The Parties shall share relevant reports and information and through discussions shall seek to achieve consensus as to the appropriate levels of core loading in Refueling Outage No. 9. Absent agreement as to the appropriate level, the Consumer Advocate retains all rights to challenge SCE&G's fuel loading decisions in base rate or fuel clause proceedings.

WITNESS our signatures below:



Nancy V. Coombs

Department of Consumer Affairs



Belton T. Zeigler
South Carolina Electric
& Gas Company

SOUTH CAROLINA ELECTRIC & GAS COMPANY
Adjustment for Fuel Costs

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission for the succeeding six months or shorter period:

$$F = \frac{E}{S} + \frac{G}{S_1}$$

Where:

F= Fuel cost per Kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E= Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Purchased power fuel costs such as those incurred in unit power and Limited Term power purchases where the fuel costs associated with energy purchased are identifiable and are identified in the billing statement.

PLUS

(C) Interchange power fuel costs such as Short Term, Economy, and other where the energy is purchased on economic dispatch basis.

Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S₁ = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue related tax factor is to be included in these calculations.

The fuel cost (F) as determined by Public Service Commission of South Carolina Order No. 94-1096 for the period November 1994 through April 1995 is 1.416 cent per kilowatt-hour.